

State Insurance Portal

Defined Contribution

Business Process & Scope

Business Processes and Rules

Processes that the Portal Needs to Facilitate

I. Establish Accounts (See Appendix A)

- 1) Eligible insurance producers need to establish an account
- 2) Participating employers establish an account:
 - i. The employer provides identifying information – name, contact, address, TIN (tax ID), etc.
 - ii. The employer identifies which producer (if any) they are working through
 - iii. The employer uploads a list of all employees and indicates which are eligible for benefits
 - iv. The employer identifies their default plan election and their defined contribution formula or amounts
 - v. The portal establishes a unique identifier for the employer
 - vi. Note: All employer provided information can be updated periodically as needed
- 3) The employer provides their unique identifier to each employee and gives them instructions on how to establish an account
- 4) Participating employees establish an account:
 - i. Each person to be insured must have a distinct record
 - ii. At this point, the employee can indicate all of their participating employers by providing the employers' unique identifier codes
 - iii. The employee can indicate family members that will be eligible for family coverage and enrolled on the same policy
- 5) Any other type of contributor can also create an account
 - i. They will be given a unique identifier that employee families can use later in the process to identify premium payment sources

II. Facilitate the Flow of Underwriting Information (See Appendix B)

- 1) A health questionnaire must be obtained for every employee and participating family member (proposed deadline of about Oct. 5)
 - i. The preferred method would be that the employee completes it online through their portal account
 - ii. An alternative would be for the employee to complete a hard-copy application, which is then given to the employer to upload to the portal

- iii. The employer may upload this information on the portal or engage the producer to help with this function
 - iv. Each person will only need to complete the questionnaire once, regardless of the number of participating employers related to the family, and regardless of the number of carriers involved.
- 2) By Oct. 10, the portal will provide all of the questionnaire information to all of the insurance carriers through an electronic process
- 3) The Risk Adjuster Board will determine the actual process for evaluating the questionnaire information
- 4) By Oct. 31, the Risk Adjuster mechanism or the individual carriers will report back to the portal a group risk factor for each participating employer. This will be a single number ranging from 0.70 to 1.30.
 - i. The portal will then add this factor to each employer's record

III. Enable the Policy Selection Process (See Appendix C)

- 1) By Nov. 10th, employers must notify employees of the default plan election and the enrollment deadline of Nov. 25th. (Note: Employers must have finalized their default plan and defined contribution formula before notifying employees.)
- 2) The system is open for plan comparison by Nov. 1st.
 - i. The portal will show each family group the total premium and any available employer contribution for each plan in the market
 - ii. Suggestion: If a family has more than one employer, the portal might determine which employer has the lowest risk factor and display only the premiums as chosen through that employer
 - iii. Employees are responsible to indicate all proposed payment sources for their chosen policy, including: own employer contributions, spouse's employer contributions, public program eligibility, and private contributions. Any shortfall in contributions will be covered by payroll deduction.
 - iv. The system would also need to have a mechanism for an employee to waive employer coverage
- 3) On Nov. 25th, all plan choices are frozen.
 - i. Employers are notified of any employees that did not enter the system
 - ii. The employer then must give final authorization to auto-enroll these employees in the default plan.

- 4) On Nov. 26th, the portal sends all applications to the carriers for enrollment by an electronic process.
- 5) By Dec. 1st, the portal notifies all participating employers and contributors of the employee plan elections, total premium amounts, their contribution, and the amount of payroll deduction that they are responsible to collect, if any.
- 6) By Jan. 1st, the carriers will send membership cards and subscriber certificates to each enrollee.
- 7) The employer should send SPD documents to employees. The portal need not be directly involved, this is an employer responsibility.

IV. Coordination of Premium Payment Flows (See Appendix D)

- 1) The employee identified all expected payment sources and authorized payroll deduction for the remainder at the time of their plan choice (before Nov. 25th)
- 2) The portal shares all financial information regarding the expected premium sources with the banking vendor system. The banking vendor then creates list bills for all premium sources and send a request for funds to each by Dec. 1st:
 - i. Each participating employer
 - ii. Utah's Premium Partnership (UPP)
 - iii. Any other private contributors registered in the portal system
- 3) Each contributor must remit funds for the January premium to the banking vendor by Dec. 24th, including (see Appendix E for details on the pre-tax options available):
 - i. Pre-tax employer contributions
 - ii. Pre-tax employee payroll deductions
 - iii. UPP subsidy amounts
 - iv. Any after-tax private contributions from participating sources
 - v. The banking vendor then verifies that sufficient premium has been collected for each employee. If any employee is short, then the banking vendor notifies them that they have to come up with the difference.

- vi. NOTE: The only ways for this to happen are that an employer does not pay on time or that an employee expected more from UPP or another source. I suggest we figure out how to confirm those contribution amounts early in the process so that an employer could adjust payroll deduction as needed to cover the discrepancy.
- 4) Premiums are submitted to each carrier by Jan. 1st.

V. Termination of Employment (no chart in the Appendix)

- 1) When an employee is terminated or is no longer eligible for benefits, it is the employer's responsibility to access their account on the portal and make the change, then notify the employee of their options
- 2) At this point, the employee has several options, including:
 - i. Staying in the system through a COBRA or mini-COBRA provision
 - ii. Switching coverage to another employer group associated with the family. This could result in a change in premium if the other employer has a different group risk factor
- 3) The employee will have to instruct the portal on how the premiums are going to be paid

VI. Post Open Enrollment

- 1) We may want to consider the possibility of allowing employers to join mid-year if they prefer to join at the time of their normal open enrollment. This will need to be addressed with the risk adjuster board.

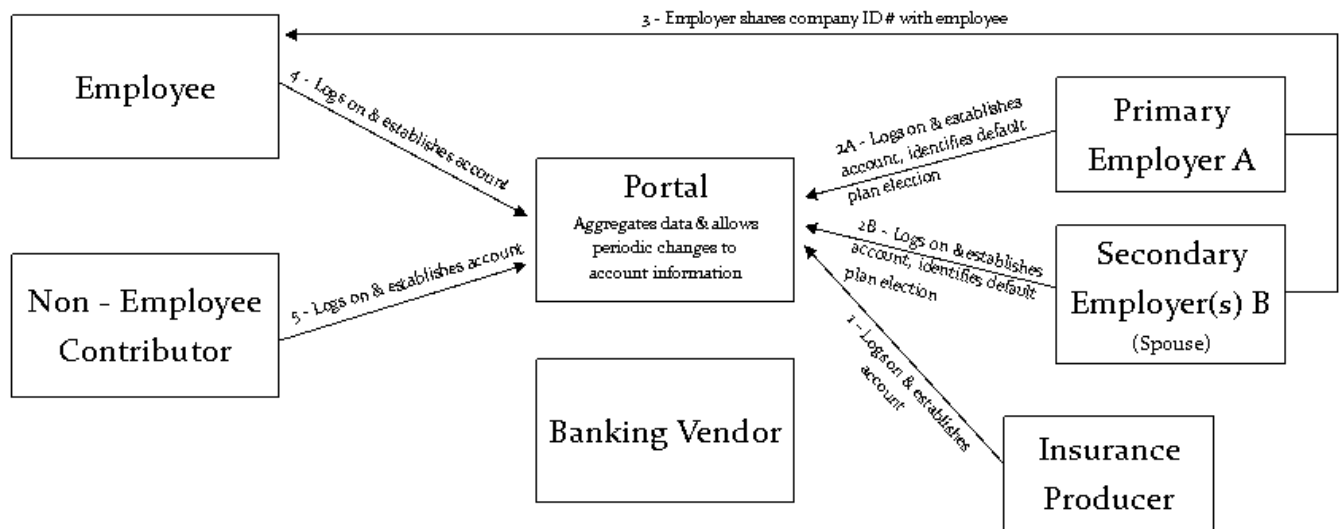
VII. Target Dates

- 1) **September 1** – Carriers must have all their plans submitted.
- 2) **September 30**- All eligible employers must be registered with the Portal.
- 3) **October 5** (proposed) - A health questionnaire must be obtained for every employee and participating family member.
- 4) **October 10** - The Portal will provide all of the questionnaire information to all of the insurance carriers through an electronic process
- 5) **October 31** - The Risk Adjuster mechanism or the individual carriers will report back to the portal a group risk factor for each participating employer.
- 6) **November 1** – The system is open for plan comparison.

- 7) **November 10** - Employers must notify employees of the default plan election and the enrollment deadline of Nov. 27
- 8) **November 27** – Employee enrollment deadline. All plans are frozen.
- 9) **November 28** - The portal sends all applications to the carriers for enrollment by an electronic process.
- 10) **December 1** - The portal notifies all participating employers and contributors of the employee plan elections, total premium amounts, their contribution, and the amount of payroll deduction that they are responsible to collect, if any.
- 11) **January 1, 2010** - The carriers will send membership cards and subscriber certificates to each enrollee.

DC Portal Account Establishment Flow

Functional Deadline October 1st



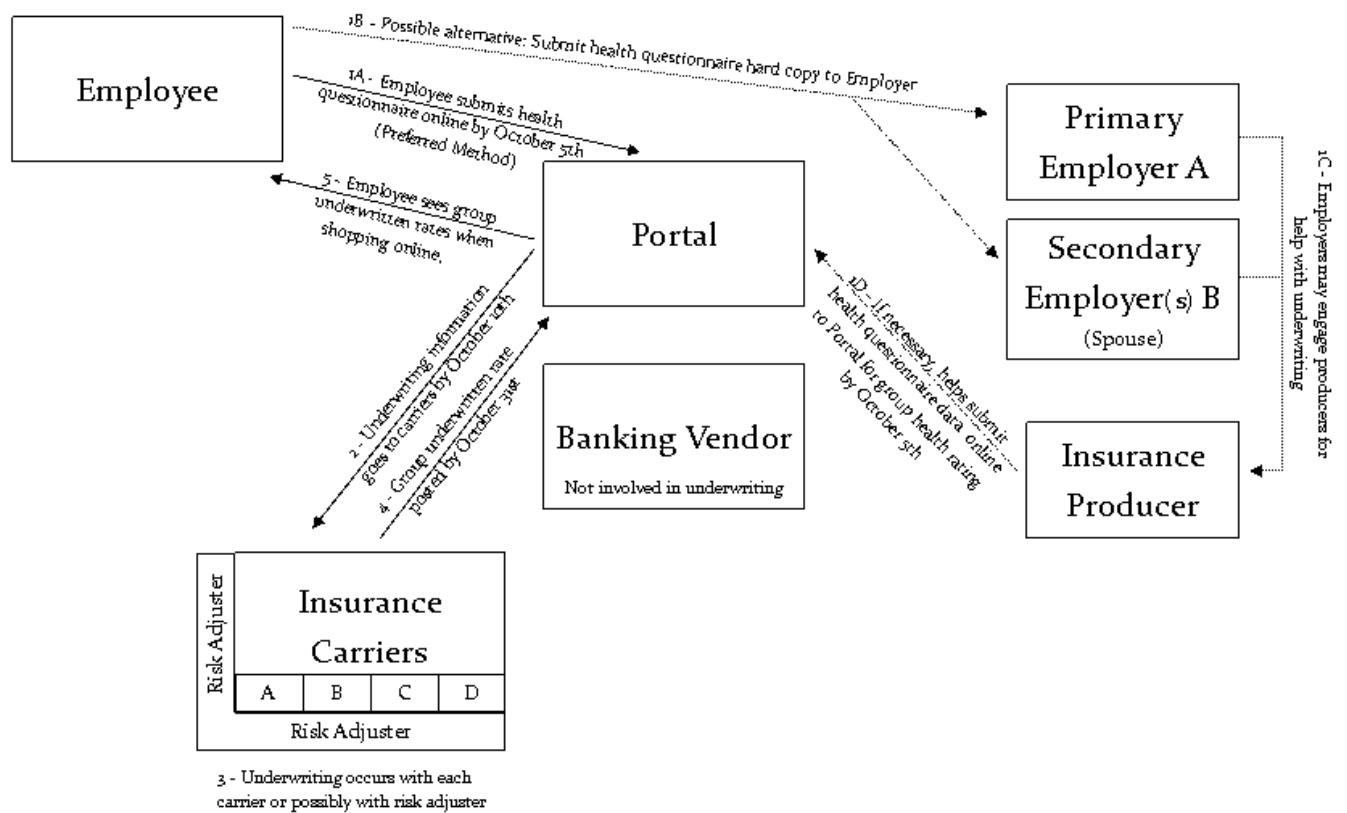
Appendix A

3/10/2009 7:56 AM

Appendix A

DC Portal Underwriting Flow

Functional Deadline November 1st



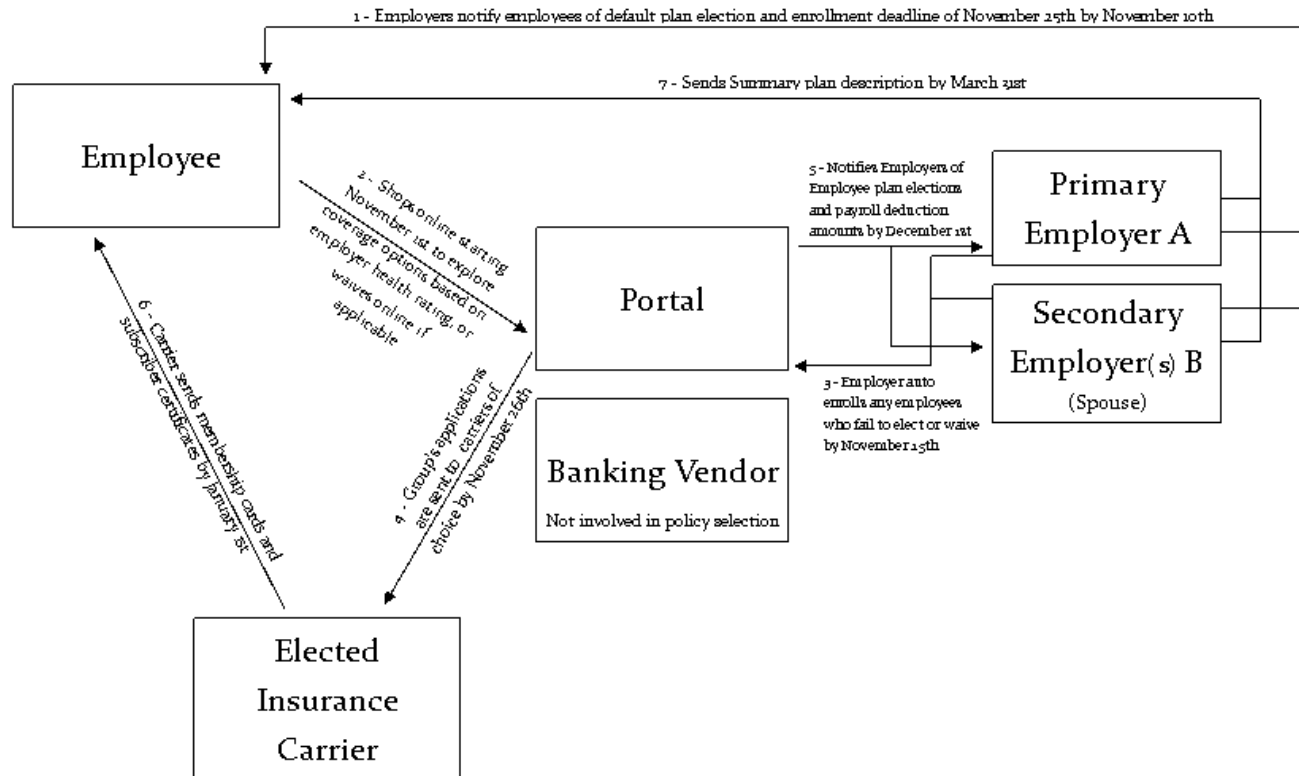
Appendix B

3/10/2009 7:56 AM

Appendix B

DC Portal Policy Selection Flow

Functional Deadline November 25th



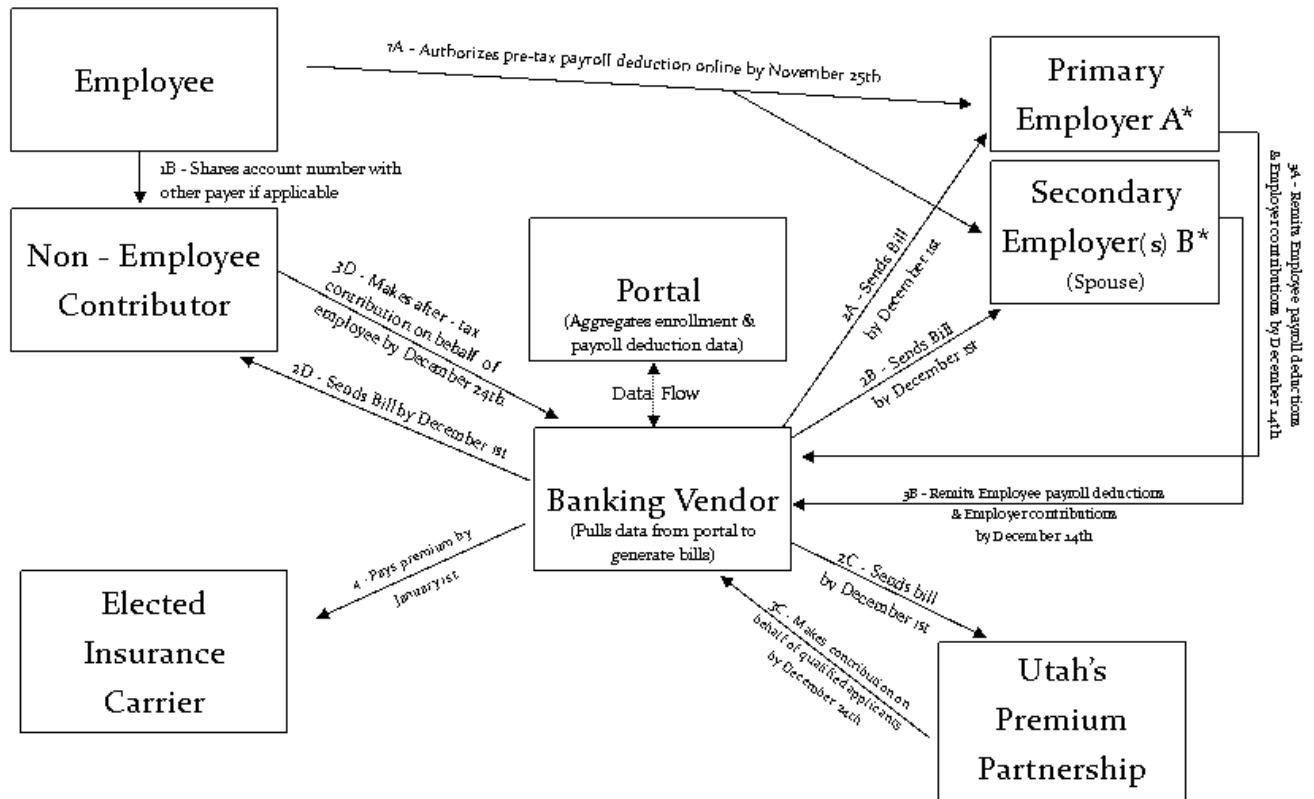
Appendix C

3/10/2009 7:56 AM

Appendix C

DC Portal Insurance Premium Flow

Functional Deadline December 1st



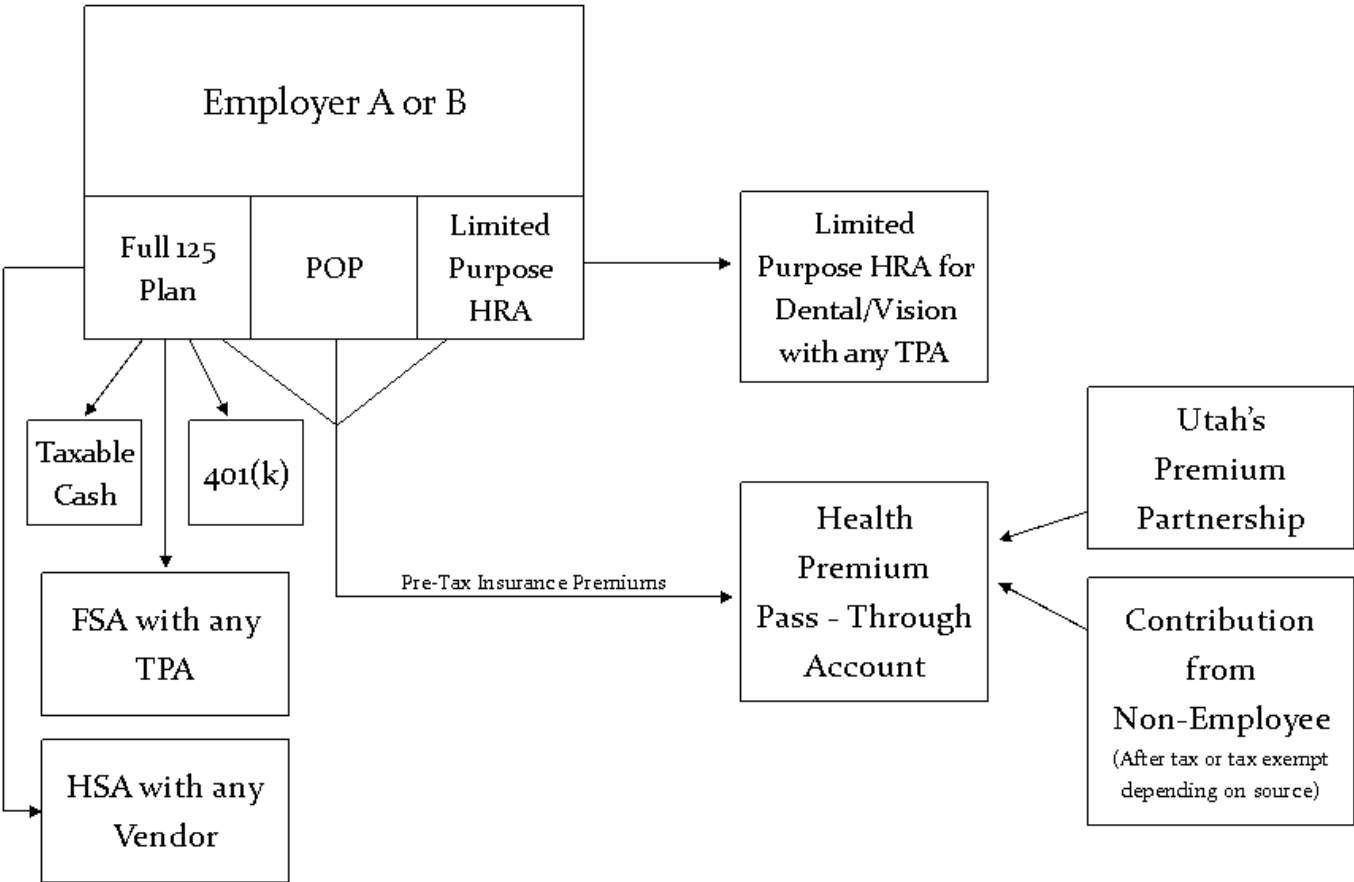
* See Appendix D for flow of pre-tax mechanisms

Appendix D

3/10/2009 7:56 AM

Appendix D

Flow of Pre-Tax Mechanisms



Appendix E

3/10/2009 7:56 AM

Appendix E